

**NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS VIRTUAL MEETING MINUTES**

Virtual Meeting: <https://global.gotomeeting.com/join/164367629>

**Dial in: +1(872) 240-3212
Access Code: 164-367-629**

Thursday, September 3, 2020

1. Call to Order

Mr. Al Park, President, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, September 3, 2020.

Mr. Ricky Williams advised the Board that he will need to leave the meeting at 10:25 a.m. to join a call with the Secretary of Education. He stated he will rejoin after the call is finished.

2. Roll Call

Ms. Pamela Vigil, called roll.

Present via virtual meeting/telephonic meeting:

Alfred Park, President
Chris Parrino, Vice-President (arrived after roll call)
Trish Ruiz, Secretary
Denise Balderas
Tim Crone
Pauline Jaramillo (arrived after roll call)
Bethany Jarrell
Sammy Quintana
David Martinez Jr.
Ricky Williams

Absent:

Staff Members Present via virtual/telephonic meeting:

Richard Valerio, Executive Director
Patrick Sandoval, Deputy Director/Chief Financial Officer
Melissa Rael, Human Resource/Finance Manager
Katherine Chavez, Benefits/Wellness Operations Manager
Pamela Vigil, Program Coordinator
Dion Romero, Accountant/Auditor
Claudette Roybal, Chief Procurement Officer

Andrew Arellano, Financial Specialist

Audience present via virtual/telephonic meeting:

Martin Esquivel	Esquivel & Howington
David Poms	Poms & Assoc.
Julie Garcia	Poms & Assoc.
Larry Vigil	Poms & Assoc.
Tammy Pargas	Poms & Assoc.
Rika Martinez	Poms & Assoc.
Richard Cangiolosi	CCMSI
Louise Carpenter	CCMSI
Jerry Mayo	CCMSI
Steve Vanetsky	CCMSI
Kim Trimble	CCMSI
Matthew Meade	Pinnacle
Aaron Hillebrandt	Pinnacle
Dr. Nura Patani	Segal
Melissa Krumholz	Segal
Sam Garcia	Davis Vision
Cathy Fenner	Davis Vision
Stephanie Anthony	United Concordia
JoLou Trujillo-Ottino	Delta Dental
Rich Bolstad	Delta Dental
Lisa Guevara	BCBSNM
Maureen Sergel	BCBSNM
Steve Valdez	Presbyterian
Connor Jorgensen	LFC
Joseph Simon	LESC
Kathy Payanes	Erisa
Lourdes Rael	Erisa
Jon Molberg	Express Scripts
Martha Quintana	Standard
Kelly Riddle	WNMU
Peter Meilleur	Poms & Assoc.
Michelle Alarid	Erisa
Marlene Mier	BCBS

3. Introduction of Guests

Mr. Richard Valerio, Executive Director, NMPSIA introduced Mr. Connor Jorgensen, LFC.

Mr. Valerio introduced Mr. Joseph Simon LESC.

Mr. Valerio introduced Mr. Aaron Hillebrandt and Mr. Matt Meade, Pinnacle Actuarial Resources, Inc.

Mr. Valerio introduced Ms. Bethany Jarrell, NMPSIA Board Member.

Ms. Jarrell introduced herself to the NMPSIA Board and staff. She stated she is the NEA Vice-President and a preschool teacher in Alamogordo.

4. Citizens to Address the Board (five- minute time limit)

There were no citizens to address the Board.

5. Approval of the Agenda (Action Item)

A motion was made to approve the agenda as presented.

MOTION: T. Ruiz

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – (not present for vote)
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – (not present for vote)
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

6. Approval of August 6, 2020 Virtual Board Minutes (Action Item)

A motion was made to approve the August 6, 2020 Virtual Board Minutes as presented.

MOTION: T. Ruiz

SECONDED: D. Balderas

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – (not present for vote)
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – (not present for vote)

Bethany Jarrell - Abstained
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried.

7. Administrative Matters

Mr. Sammy Quintana asked if there has been any information with respect to the salary for the Executive Director and Deputy Director.

Mr. Valerio stated there has not been any information.

Mr. Quintana stated another month has passed without the salary increases and there is no retro-active pay.

7. A COVID-19 Update

Mr. Valerio reported BCBS had a spend of \$410,089. There were 1,804 COVID-19 tests, 462 antibody tests. He reported 76 members tested positive and there were 4 in-patient admissions. He reported under Presbyterian there have been 2,027 claims and 33 have tested positive. Mr. Valerio stated that Presbyterian had a spend of \$606,663.

Mr. Valerio reported there was a rumor circulating that basic life claims were not going to be paid out by the Standard if a member passed away from COVID-19. He stated this is incorrect information, and he will be relaying a message to all benefits representatives to relay to districts that this is not the case.

7. B Legislative Update

Mr. Valerio reported there was a meeting with the Legislative Finance Committee on August 20, 2020. He stated that Board members present were Mr. Park, Mr. Parrino, Ms. Ruiz, Ms. Jaramillo, Mr. Williams and NMPSIA General Counsel Mr. Esquivel. He stated NMPSIA staff present were Mr. Sandoval and himself.

Mr. Valerio stated the big topic of discussion was the Employee Benefit Premium rates that were passed on. He stated staff reviewed the various scenarios that the Board considered but were not feasible. Mr. Valerio stated they discussed COVID-19 statistics and the savings as a result of postponed services. He stated they also discussed the potential increases for next year. Mr. Valerio indicated there is a follow up meeting on September 17, 2020.

Mr. Valerio reported the LFC Hearing for the IBAC is on September 30, 2020 and NMPSIA will be presenting on the Benefits and Risk Programs. He stated NMPSIA will also have a Budget Hearing on October 29, 2020. These hearings can be accessed via the web. A link will be provided if any Board members would like to attend.

8. FINANCIAL MATTERS

8. A Financial Reports for July 2020 (Action Item)

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 7/1/2020 through 7/31/2020. The Benefits Fund had revenues in the amount of \$27,149,552.20; expenditures in the amount of \$25,588,244.48; resulting in a gain of \$1,561,307.72.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 7/1/2020 through 7/31/2020. The Risk Fund had revenues in the amount of \$7,370,814.19; expenditures in the amount of \$9,134,203.30; resulting in a loss of \$1,763,389.11.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 7/1/2020 through 7/31/2020. The Program Support Fund had revenues in the amount of \$116,750.00; expenditures in the amount of \$79,911.01; resulting in a gain of \$36,838.99.

Mr. Sandoval reviewed the balance sheet for the period 7/1/2020 through 7/31/2020. Program Support had total assets of \$1,001,651.35, total liabilities of \$252,319.47, and fund equity of \$749,331.88. Employee Benefits had total assets of \$60,718,700.63, ending liabilities of \$30,756,417.75, and fund equity of \$29,962,282.88. Risk had assets of \$166,966,737.12, liabilities of \$169,053,469.42, and a loss of \$2,086,732.30. Total assets for the agency were \$228,687,089.10 and ending liabilities of \$200,062,206.64. Combined fund equity for the agency was \$28,624,882.46.

A motion was made to approve the Financial Reports as presented.

MOTION: D. Martinez Jr.

SECONDED: T. Ruiz

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – (not present for vote)
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – (not present for vote)
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

9. Benefits Matters

9. A Approval of Medical Premium Rates (Action Item)

Mr. Valerio reported there was a lengthy discussion at the BAC. He presented rates that have been drafted for the new Cigna plan. He stated Dr. Patani provided two options with respect to rates. He reviewed Cigna rates for High and Low Option and stated they would be higher than BCBS. Mr. Valerio stated being that the benefits are the same, there is no incentive for members to move into this plan. He explained Segal looked into the data in the RFP and looked at different methodology. He stated the BAC felt it could be appropriate to select the scenario that is slightly below BCBS and above Presbyterian. It would give members an opportunity to save some money on their premium. He stated he did not anticipate members shifting from Presbyterian to this option, but some BCBS members could move into Cigna and save some money. He stated by having a third carrier, there could be some competition between the health plans.

Mr. Valerio reported that BAC is recommending Scenario Two, with the lower premium.

Dr. Patani reviewed the methodology that was used in detail.

Mr. Martinez Jr. stated there was a lengthy discussion at the BAC. He brought up concerns about rural areas and whether Cigna will cover those areas.

A motion was made to approve the medical premium rates for CIGNA as presented.

MOTION: D. Martinez Jr.

SECONDED: T. Ruiz

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – (not present for vote)
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – (not present for vote)
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams – Yes

Vote carried unanimously.

9. B Approval of Dental Premium Rates (Action Item)

Mr. Valerio presented the premium rates for Delta Dental. He stated Delta Dental is a second option for members. Mr. Valerio stated the rates are the same as United Concordia, and the biggest difference is the network. This will give members additional offering in rural areas.

A motion was made to approve the Dental Premium Rates as presented.

MOTION: D. Martinez Jr.

SECONDED: R. Williams

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – (not present for vote)
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – (not present for vote)
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

9. C Medical Switch Enrollment Update

Kathy Payanes, Erisa, reviewed the special medical switch enrollment statistics. She reported switch enrollment was July 20, 2020 through August 31, 2020. She reviewed the switch enrollment process in detail. Ms. Payanes stated the total head count for the switch enrollment is 354 members, which includes employees, spouses and children.

9. D FY20 United Concordia Annual Report and Satisfaction Survey

Ms. Stephanie Anthony, United Concordia, provided some highlights of the year-end review and the results of the Customer Satisfaction Survey. She reported every year an electronic member survey is sent out and 300 were received back. Ms. Anthony stated that the customer service score increased from 90% to 96%. She reviewed all statistics in detail and stated there was an uptick in July, so members are returning to seek preventative care.

9. E Interagency Benefits Advisory Council Update

Mr. Valerio reported there has not been a formal meeting, but there was a strategy call between the IBAC members to discuss medical care management and disease management and make sure that the IBAC is getting the best ROI on these and the best outcomes for members.

9. F Interagency Pharmaceutical Purchasing Council Update

Mr. Valerio reported there was a meeting on August 17, 2020. He stated there was not a lot of discussion on issues that pertained to NMPSIA. Mr. Valerio reported another meeting is scheduled in November. He stated he will update the Board on this meeting.

9. G 2020-2021 Part-Time Employee Resolutions (Action Item)

Mr. Valerio presented the Part-Time Resolution from Tierra Montessori School. He stated this is a standard resolution and the BAC is recommending approval.

A motion was made to approve the Part-Time Resolution as presented.

MOTION: D. Martinez Jr.

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – (not present for vote)
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – (not present for vote)
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

9. H Wellness Update

Ms. Katherine Chavez, Benefits and Wellness Operations Manager, NMPSIA, provided a brief wellness update.

Ms. Chavez updated the Board on the Livongo diabetes and hypertension programs. She reported Livongo will reach out to approximately 3,700 members with information regarding the StepIn Program.

Ms. Chavez reported 15% of NMPSIA's diabetic population is enrolled in the Diabetes Management Program and 13% in the hypertension program. She reported 472 members are enrolled in both programs.

Ms. Chavez reported the number of members completing health assessments and enrolling in the Good Health Measures Program have increased.

Ms. Chavez reported the Naturally Slim Program has reached its benchmark for program participation.

10. Risk Matters

10. A Member Compliance During COVID-19 Update

Mr. Valerio provided a copy of the letter that went out to the districts, charter schools and the Director of the School Boards Association. He stated the letter supports the re-entry guidelines and the recommendations set forth by the CDC for school re-entry. Mr. Valerio reported that there have been some questions now that this letter has been sent out. He stated that Poms & Associates will be going out and providing loss prevention efforts and providing advice on the re-entry guidelines.

Ms. Julie Garcia, Poms & Associates reported there have been some changes to the guidelines. She stated one of the biggest changes is with respect to face-shields. She stated just last week, the Secretary of Education has said face shields are not permitted. Ms. Garcia stated face shields are considered critical to early childhood education and k-3, because children must be able to see teachers articulate words with their mouths. She stated Poms & Associates has been working with the Superintendents Association to get some information to the Department of Health and the Department of Education about the importance of face shields for a certain population of teachers. She stated a decision has not been made yet.

Mr. Williams stated his district went out and purchased face shields because of the prior guidance that stated face shields were acceptable.

Ms. Garcia stated there has been a lot of money spent on face shields because of prior guidance that face shields were acceptable. She asked for the Board to provide some guidance on this issue.

After a lengthy discussion, the Board agreed to wait until more information is received from the PED with respect to this issue.

10. B Risk Fund Actuarial Analysis as of 6/30/2020 (Action Item)

Mr. Aaron Hillebrandt, Pinnacle Actuarial Resources, Inc., reviewed the Loss Reserve and Funding Analysis as of 6/30/2020. He reviewed the following items in detail:

- 2014-15 Liability Aggregate Retention
- Actual vs. Expected Loss Development 12/31/2019 to 6/30/2020
- Drivers of Favorable Development
- Ultimate Loss Trends
- Frequency/Severity/Loss Cost Trends
 - Workers Compensation
 - General Liability
- Summary of Results of 6/30/2020 analysis

Mr. Hillebrandt presented the following summary of results:

Loss and LAE Reserve Estimates- Nominal Value (Undiscounted) as of 6/30/2020

	Property & Liability		Workers Compensation	Total
Claim Reserves	\$20,528,695		\$14,317,348	\$34,846,042
IBNR Reserves	Low	30,484,289	22,009,484	52,493,773
	Central	33,633,398	24,562,003	58,195,401
	High	36,782,506	27,114,523	63,897,029
Total Reserves	Low	51,012,984	36,326,832	87,339,815
	Central	54,162,092	38,879,351	93,041,443
	High	57,311,201	41,431,870	98,743,071

Loss and LAE Reserve Estimates- Present Value (Discounted) as of 6/30/2020

	Property & Liability		Workers Compensation	Total
Claim Reserves	\$19,901,520		\$13,106,145	\$33,007,665
IBNR Reserves	Low	29,284,877	20,071,434	49,356,311
	Central	32,321,993	22,397,234	54,719,227
	High	35,359,108	24,723,034	60,082,142
Total Reserves	Low	49,186,397	33,177,580	82,363,976
	Central	52,223,512	35,503,379	87,726,892
	High	55,260,628	37,829,179	93,089,807

Funding Estimate- Nominal Value (Undiscounted) as of 6/30/2020

Policy Period	Property& Liability	Workers' Compensation	Total
2020-2021	\$24,946,697	\$12,073,550	\$37,884,466
2021-2022	27,133,815	12,220,416	40,228,964
2022-2023	29,517,476	12,369,540	42,772,423

Funding Estimate- Present Value (Discounted) as of 6/30/2020

Policy Period	Property& Liability	Workers' Compensation	Total
2020-2021	\$23,687,522	\$12,073,550	\$35,761,072
2021-2022	25,767,733	12,220,416	37,988,149
2022-2023	28,035,220	12,369,540	40,404,760

A motion was made to approve the Loss Reserve and Funding Analysis as of 6/30/2020.

MOTION: T. Ruiz

SECONDED: D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes
 Alfred Park – (not present for vote)
 Denise Balderas - Yes
 Tim Crone - Yes
 Pauline Jaramillo – Yes
 Bethany Jarrell - Yes
 Sammy Quintana - Yes
 David Martinez Jr. - Yes
 Trish Ruiz - Yes
 Ricky Williams – (not present for vote)

Vote carried.

10. C TPA Reports

10. C. 1 Response to Workers' Compensation and Property/Liability Claims Audit – 2020

Mr. Richard Cangiolosi, CCMSI, reported last month an audit was performed by Mr. Tim Farley. He stated CCMSI was caught off guard after the audit and was not prepared to respond to the findings outlined by Mr. Farley. Mr. Cangiolosi reported he sent a letter to Mr. Park and Mr. Valerio to address the deficiencies that were identified and outlined the steps that CCMSI is taking to correct those findings. Mr. Cangiolosi stated CCMSI takes this very seriously and is working very hard to correct the deficiencies.

10. C. 2 Property & Liability Monthly Claims Report

Mr. Steve Vanetsky, CCMSI, reported on the Property & Liability Monthly Claims Report. He stated for the month of July 2020 there were 329 open claims, 34 new claims and 63 claims were closed. Mr. Vanetsky reported reserves were at \$57,998,079.52, payments were \$25,584,665.12 for a total of \$83,582,744.64.

10. C. 3 Property & Liability Large Losses

Mr. Vanetsky reported on three claims that are recent developments. He reported there was a significant hail event that occurred in Las Vegas on July 31, 2020. Mr. Vanetsky stated this claim continues to develop and he will report on the total amount in months to come.

Mr. Vanetsky reported a lawsuit was received involving a hazing incident in Hobbs that occurred in 2008. He will continue to update the Board on the development of this claim.

Mr. Vanetsky reported on a flooding claim in Rio Rancho. He stated a third-party claim that had originally agreed to pay, have changed their course. Mr. Vanetsky stated NMPSIA will be responsible for paying this claim up front.

10. C. 4 Workers' Compensation Monthly Claims Report

Mr. Jerry Mayo, CCMSI, provided the Workers' Compensation Monthly Claims Report for Districts as of July 31, 2020. He reported during the month of July there were 808 open claims, 31 new claims, and 70 claims were closed. Mr. Mayo reported reserves were at \$14,771,188.76; payments were \$51,172,199.03; for a total of \$65,943,387.79.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of July 31, 2020. Mr. Mayo reported during the month of July, there were 31 open claims, 2 new claims and 3 claims were closed. Mr. Mayo reported reserves were at \$613,515.68; payments were \$1,276,010.55, for a total of \$1,889,526.23.

10. C. 5 Workers' Compensation Large Losses

There were no large losses to report.

10. D Loss Prevention Update

Ms. Garcia reported that one of the main issues, is the topic with respect to face shields. She reported there have been many questions regarding this.

Ms. Garcia reported on the many issues with inappropriate behavior on the remote learning platform. She stated there are many issues related to cyber hacking as well.

Ms. Garcia reported that the committee is still reviewing information with respect to the Sandy Hook Program and the StopIt Program.

11. NEXT MEETING DATE AND LOCATION

Mr. Valerio reported the next meeting will be held virtually on October 8, 2020.

12. ADJOURNMENT (Action Item)


A motion was made to adjourn The NMPSIA Board Meeting at 11:08 a.m.

MOTION: T. Crone

SECONDED: S. Quintana

- Chris Parrino – Yes
- Alfred Park - Yes
- Denise Balderas - Yes
- Tim Crone - Yes
- Pauline Jaramillo – Yes
- Bethany Jarrell - Yes
- Sammy Quintana - Yes
- David Martinez Jr. - Yes
- Trish Ruiz - Yes
- Ricky Williams – (not present for vote)

APPROVED:



Mr. Alfred Park, President